



OFFICE OF THE MAYOR

June 24, 2002

Dear Citizens of Lynchburg,

City Council adopted the *FY 2003 Operating Budget* and *FY 2003-2008 Capital Improvement Program* on May 28, 2002. This action followed several months of deliberation and review of the proposed budget and Capital Improvement Program (CIP). City Council held six work sessions, and a public hearing on the proposed budget and CIP. A copy of the FY 2003 Budget Ordinance that outlines the appropriation to various City funds is attached.

Adjustments to the *FY 2003 Proposed Operating Budget* are as follows:

General Fund

	<u>Proposed Operating Budget</u>	<u>Amendments</u>	<u>Adopted Budget</u>
Operations	\$78,818,739	\$517,615	\$79,336,354
Debt Service	5,589,200	-0-	5,589,200
Schools-Operations	26,825,411	200,000	27,025,411
Schools-Debt Service	4,401,015	-0-	4,401,015
Health Insurance Reserve	-0-	195,000	195,000
Reserve for Snow Removal			
Streets and Bridges	-0-	250,000	250,000
Reserve for Contingencies	1,200,000	-0-	1,200,000
Capital Improvements	<u>1,233,243</u>	<u>955,924</u>	<u>2,189,167</u>
<b>Total</b>	<b>\$118,067,608</b>	<b>\$2,118,539</b>	<b>\$120,186,147</b>

Details of these adjustments can be found on Attachment A.

Other Funds

Other funds have been amended to incorporate the 2% compensation adjustment for employees in those funds.

### FY 2003-2008 Capital Improvement Program

Expenditure adjustments to the FY 2003 Capital Improvement Program are reflected on Attachment B. In addition, funding for Lynchburg United Soccer in the amount of \$358,120 has been moved from FY 2003 to FY 2004 as previously discussed with City Council.

Highlights of adjustments made by City Council to the *FY 2003 Proposed Operating Budget* and *FY2003-2008 Capital Improvement Program* include:

- Funding a 2% compensation increase for City and School employees
- Funding a Health Insurance Reserve in the amount of \$195,000
- Restoring funding in the amount of \$250,000 to the Reserve for Snow Removal, Streets and Bridges
- Capital Improvement Program project adjustments in the amount of \$955,924
- Spot blight funds in the amount of \$100,000
- Funding for demolition of derelict structures in the amount of \$20,000

I want to thank City Council for their dedication to public service and their willingness to spend countless hours deliberating and making difficult choices during this budget process. While the fiscal constraints of the City are many, I am proud of the collaboration among Council in providing a budget that I am confident will serve us well during this next fiscal year.

Thank you.

Sincerely,

Carl B. Hutcherson  
Mayor

Attachments: Attachment A: General Fund Expenditure Adjustments  
Attachment B: FY 2003 Capital Improvement Program Adjustments  
FY 2003 Budget Ordinance

## Attachment A

### General Fund Expenditure Adjustments

*(additional adjustments as discussed at the April 23, 2002 City Council Work Session reflected in italics)*

<b>Council Manager</b>	VML dues savings	\$	(818)
<b>City Attorney</b>	<i>Attorney fees for utility rate negotiations</i>	\$	33,200
<b>Juvenile Services</b>	Freeze 1 FTE	\$	(40,500)
	Freeze 1.4 part-time	\$	(40,500)
	Reduce wage salaries	\$	(4,500)
	Various other adjustments	\$	(24,820)
<b>Subtotal</b>		\$	(110,320)
<b>Financial Services</b>	Eliminate Accountant III	\$	(51,012)
	Supplies and Materials	\$	5,123
	Temporary Wages	\$	10,000
	Procurement Training	\$	3,000
	Billings and Collections Postage	\$	15,365
	Director Salary Adjustment	\$	7,210
<b>Subtotal</b>		\$	(10,314)
<b>Fire/EMS</b>	Office Supplies	\$	21,200
	Vehicle Maintenance	\$	20,000
	Building Maintenance	\$	10,000
	Professional Services	\$	1,000
	Vehicle Maintenance	\$	3,000
	Software	\$	1,000
	Contractual Services	\$	2,000
	Courtesies to Guests	\$	1,000
	Other: Barker Jennings	\$	3,802
<b>Subtotal</b>		\$	63,002
<b>Human Resources</b>	Eliminate "Catch a Star"	\$	(4,600)
<b>Information Technology</b>	Training	\$	12,000
<b>Library</b>	Eliminate fee for database	\$	(8,300)
	Office Supplies	\$	(5,000)
	Adult Books and Materials	\$	(9,522)
	Youth Books	\$	(6,348)
	Branch Books	\$	(500)
<b>Subtotal</b>		\$	(29,670)

**General Fund Expenditure Adjustments (continued)**

<b>E-911</b>	1 Telecommunicator	\$	30,783
	Fringe Benefits	\$	4,300
	Equipment	\$	7,776
	Maintenance	\$	2,000
<b>Subtotal</b>		\$	44,859
<b>Police Department</b>	Reduced personnel costs due to Police cadet grant funding	\$	(65,000)
<b>Public Works</b>			
Engineering	Restore funding for Safety Training	\$	12,501
Building and Grounds	Restore contractual services for elevator, fire extinguisher, and janitorial contracts	\$	17,000
	Aviary Building Maintenance	\$	10,000
	<i>Peaks View Park Drainage</i>	\$	8,000
<i>Traffic Engineering</i>	<i>Wards Road Signalization</i>	\$	19,000
<b>Subtotal</b>		\$	66,501
<b>Museums</b>	<i>Camera and File Cabinet</i>	\$	5,160
<b>Parks and Recreation</b>	Computers for Neighborhood Centers	\$	9,000
	Increased custodial for school gyms	\$	5,000
<b>Subtotal</b>		\$	14,000
<b>Community Planning and Development</b>	<i>Spot Blight</i>	\$	100,000
	<i>Demolition</i>	\$	20,000
<b>Subtotal</b>		\$	120,000
<b>Economic Development</b>	<i>Downtown Improvements</i>	\$	300,000
<b>Various General Fund Depts.</b>	Reduce Telephone Expenditures (transfer to Technology Fund)	\$	(131,910)
	Life Insurance Holiday	\$	(340,980)
	Health Insurance Savings	\$	(390,000)
<b>Subtotal</b>		\$	(862,890)
<b>Transfers</b>			
Transfer to Airport Fund		\$	(120,113)
Transfer to Technology Fund		\$	131,910
<b>Subtotal</b>		\$	11,797
<b>Non-departmental</b>	Indigent Hospitalization	\$	2,306
	<i>Employee Compensation (2% 7/1/02)</i>	\$	928,402
<b>Subtotal</b>		\$	930,708
<b>Total General Fund Expenditure Adjustments</b>		\$	517,615
<b>Schools - Operations</b>		\$	200,000
<b>Reserves</b>	Snow/Ice/Paving	\$	250,000
	Health Insurance Reserve	\$	195,000
<b>Subtotal</b>		\$	445,000

**Attachment B**

**FY 2003 Capital Improvement Program Adjustments**

*(additional adjustments as discussed at the April 23, 2002 City Council Work Session reflected in italics)*

<b>Capital Improvement Program</b>	Human Services Furniture	\$	(15,176)
	City Stadium Park	\$	400,000
	Human Services Relocation	\$	82,000
	Human Services Telephone System	\$	275,000
	College Hill Community Center	\$	30,000
	Juvenile and Domestic Relations Court	\$	100,000
	Master Plan Review		
	<i>Point of Honor Bridge</i>	\$	<i>84,100</i>
<b>Subtotal</b>		\$	955,924